

BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2004-283-C – ORDER NO. 2005-148

APRIL 8, 2005

IN RE:	Application of Nationwide Professional	)	ORDER GRANTING
	Teleservices, LLC for a Certificate of Public	)	CERTIFICATE AND
	Convenience and Necessity to Provide Resold	)	DENYING BOND
	Intrastate Interexchange Telecommunications	)	REQUEST
	Services within the State of South Carolina	)	

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Nationwide Professional Teleservices, LLC (“Nationwide,” “Applicant”, or the “Company”) for authority to provide interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2004) and the Rules and Regulations of the Commission.

By letter, the Commission’s Docketing Department instructed Nationwide to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. The Commission received no Petitions to Intervene or protests regarding the Application.

A hearing was commenced on March 16, 2005, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Randy Mitchell, Chairman, presided. John J. Pringle, Jr., Esquire, represented the Applicant. C. Lessie Hammonds, Esquire, and Shannon Hudson, Esquire, represented the Office of Regulatory Staff (ORS).

Ms. Sheri Lutich, President of the Company, appeared and testified in support of the Application. The record reveals that Ms. Lutich described the nature of Nationwide's proposed service offerings within the State of South Carolina. Additionally, Ms. Lutich demonstrated the Company's financial, managerial, and technical ability to provide telecommunications services in South Carolina.

According to the testimony, Nationwide is a limited liability corporation, formed under the laws of Florida. Nationwide received authority from the South Carolina Secretary of State to transact business within the State of South Carolina on August 25, 2004.

The Company seeks authority to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis. Specifically, Nationwide proposes to offer an unlimited long distance service plan that allows customers to place an unlimited number of intrastate and interstate toll calls for a flat rate per month. Calls are placed via a toll free access number. The plan does not require that the customer be presubscribed to the Company, nor does it require an authorization code. The plan only requires that the calling number be recognized as belonging to a Subscriber. Service will be provided twenty four hours a day, seven days a week. Further, customers will have the option not to receive monthly bills. To the extent that 26 S.C. Code Ann. Regs. 103-622

(1976) requires that the Company provide customers with monthly bills, the Company seeks a waiver of that rule. Customers provide the Company with banking information, and the flat monthly charge is deducted monthly from the customer's bank account.

Ms. Lutich asserts that Nationwide will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Ms. Lutich offered that approval of Nationwide's Application serves the public interest by increasing telecommunications competition in South Carolina, thereby bringing about lower rates, improved quality of service, and enhanced services.

Ms. Lutich discussed Nationwide's requests for certain waivers of Commission regulations. The Company seeks waiver of 26 S.C. Code Ann. Regs. 103-610 (1976 & Supp. 2004) so that Nationwide can maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters. The Company requests that it be exempt from any rules or regulations that would require it to keep financial records in conformance with the Uniform System of Accounts ("USOA"). Accordingly, Applicant sought Commission authority to keep its books and records in accordance with Generally Accepted Accounting Principles ("GAAP"). Finally, Nationwide seeks a waiver of 26 S.C. Code Ann. Regs. 103-622 (1976) to the extent that it requires the Company to provide customers with monthly bills.

The Company states that it can assure the Commission that any carrier with whom the company contracts for the provision of interexchange services will have been properly certified by this Commission.

Regarding the Company's financial resources, Ms. Lutich testified that Nationwide has sufficient financial capability to provide the requested telecommunications services in South Carolina and has the financial capability to maintain these services.

Ms. Lutich stated that Nationwide will use telemarketing in connection with its services. The Company furnished samples of telemarketing scripts that it intended to use.

The Office of Regulatory Staff recommended that the Company post a bond, because the Company would be utilizing "prepaid long distance service." The Company opposed the recommendation.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. The Company is a limited liability corporation duly organized and existing under the laws of the State of Florida and has been authorized to do business in the State of South Carolina by the Secretary of State.

2. The Company is a provider of interexchange telecommunications services and wishes to provide its services in South Carolina.

3. The Company has the managerial, technical, and financial resources to provide the services as described in its Application.

4. The Commission finds that Nationwide should be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina.

5. The Company is hereby granted permission to maintain its financial books and records at its principal headquarters. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts (“USOA”). Finally, the Company is granted a waiver of so much of 26 S.C. Code Ann. Regs. 103-622 as would require the Company to render monthly paper bills to its customers, should said customers prefer a debit of their account for payment.

6. This Commission declines to order the posting of a performance bond in this case. Basically, all such plans of this genre are prepaid, and local service is prepaid. In the past, we have only ordered that bonds be posted by companies offering prepaid long distance calling cards. No such card is to be offered by Nationwide. Accordingly, we decline to order the posting of a bond.

#### **CONCLUSIONS OF LAW**

1. The Commission concludes that a Certificate of Public Convenience and Necessity should be, and hereby is, granted to Nationwide to provide intrastate interexchange telecommunications services and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of traditional switched long distance services and any other services authorized for resale by tariffs of carriers approved by the Commission.

2. With regard to the interexchange service offerings of the Company, the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. With regard to interexchange service rates, the Company shall not adjust its interexchange service rate below the approved maximum levels without notice to the Commission and to the public. The Company shall file its proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2004).

4. If it has not already done so by the date of issuance of this Order, the Company shall file its revised interexchange tariff and accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the

findings of this Order, and shall be consistent with the Commission's Rules and Regulations.

5. The Company is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Nationwide shall resell the services of only those interexchange carriers authorized to do business in South Carolina by this Commission.

8. With regard to the origination and termination of toll calls within the same LATA, the Company shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission ("FCC"), pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

9. Nationwide shall file annual reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information.

Therefore, Nationwide shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm). The two-page form the Company shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunications companies requires the filing of intrastate revenues and intrastate expenses.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies occurring during non-office hours.

The Company shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. The Company shall also file with the Commission a copy of their general Bill Form, if any, as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2004).



11. The Company shall conduct its businesses in compliance with Commission decisions and Orders, both past and future.

12. By its Application, the Company requested a waiver of 26 S.C. Code Regs. 103-610 of the Commission's rules and regulations. The Commission finds the Company's request reasonable and grants the requested waiver so that Nationwide can maintain its records outside of South Carolina. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts ("USOA") and shall be allowed to keep its books and records in accordance with Generally Accepted Accounting Principles ("GAAP").

13. Nationwide shall comply with all Rules and Regulations of the Commission unless the Commission specifically waives a regulation.

14. The Commission concludes that Nationwide shall be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina and 26 S.C. Code Regs. 103-622 as would require a monthly paper bill for customers, if said customers have expressed a preference to have their monthly bill amount drafted from their bank account.

15. Nationwide shall maintain its financial books and records at its principal headquarters. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts ("USOA").

16. The request of ORS that Nationwide post a bond is denied. In the past, the posting of bonds by long distance carriers has been limited to those carriers which would offer a pre-paid long distance calling card. See Docket No. 95-774-C, Order No. 95-1178,

at 2-3, which imposed a bond on US Long Distance when it offered such a card. No such card is proposed to be offered by Nationwide. We decline to expand the use of the bond in telephone cases beyond the situation where a pre-paid long distance calling card is offered by a telecommunications company at this time. We would also note parenthetically that many services offered by various telecommunications providers are pre-paid in any case. We believed in the past and still believe that pre-paid long distance cards presented a specific problem for possible abuse, and this was why we instituted the bonding requirement for companies who offered such a product. We do not believe that the same scenario exists in the present case.

17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/  
Randy Mitchell, Chairman

ATTEST:

/s/  
G. O'Neal Hamilton, Vice Chairman

(SEAL)